

SAN BENITO COUNTY ECONOMIC FORECAST

The San Benito County economy is creating jobs at a slow rate. In 2017 it generated only 130 new jobs, representing growth of 0.8 percent. Growth was much faster across California, which created jobs at a rate of 2.0 percent. The best performing industries in San Benito County were construction, leisure services, healthcare, and government. Small numbers of jobs were lost in agriculture, manufacturing, and wholesale trade.

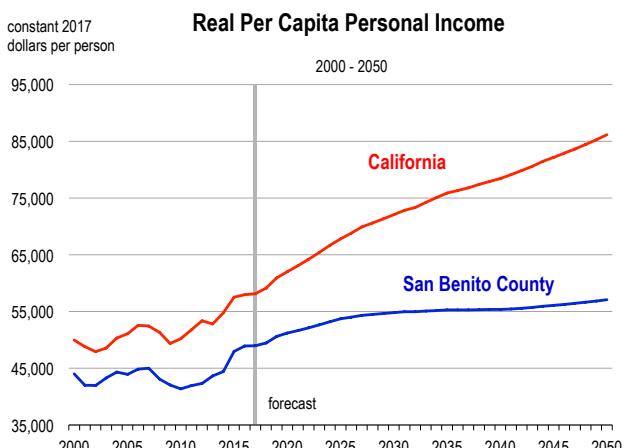
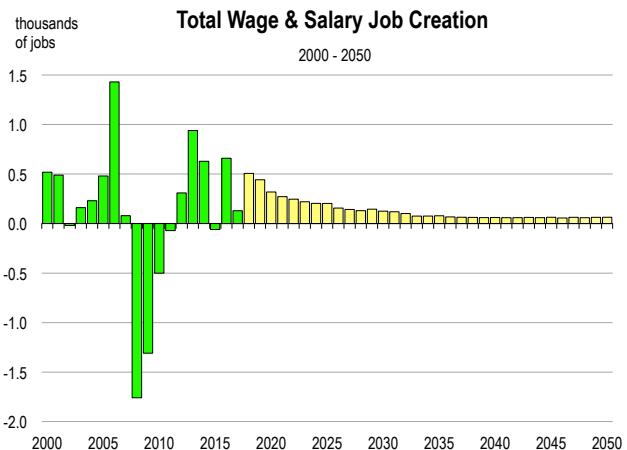
Construction activity is accelerating rapidly. Almost 600 new homes were built in 2017, which is one of the largest totals on record. Virtually all of these homes were single-family units, and many were associated with a large master-planned community that is being developed in Hollister.

Homes in San Benito County are highly affordable, especially compared to the coastal regions of California. Households in San Benito County typically spend less than 25 percent of their incomes on mortgage payments and rent, compared to a range of 35 to 50 percent across Coastal California. This price disparity will begin to draw new residents to San Benito County, leading to high levels of in-migration and rapid population growth. Over the 2018-2023 period, San Benito County will be one of the fastest growing counties in the state.

The unemployment rate improved substantially last year, falling from 6.8 percent in 2016 to 5.9 percent in 2017. But it is still higher than most parts of California. This is largely due to the county's prominent share of seasonal workers (primarily in agriculture), who are often unemployed for several months each year. Because of this dynamic, the San Benito County unemployment rate will reach its lowest sustainable level by 2019, and will not improve substantially during subsequent years.

FORECAST HIGHLIGHTS

- In 2018, total wage and salary employment will increase by 3.0 percent. From 2018 to 2023, total employment will grow at an annual average rate of 1.7 percent.
- Job growth will be widespread, with prominent gains in construction, manufacturing, retail, education and healthcare, and government. Combined, these industries will account for 73 percent of net job creation between 2018 and 2023.
- Average salaries are currently below the California State average, and will remain so over the foreseeable future. In San Benito County, inflation-adjusted salaries are expected to rise by an average of 1.9



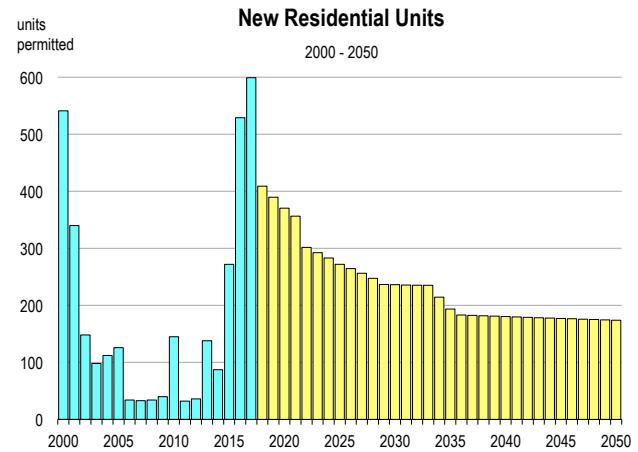
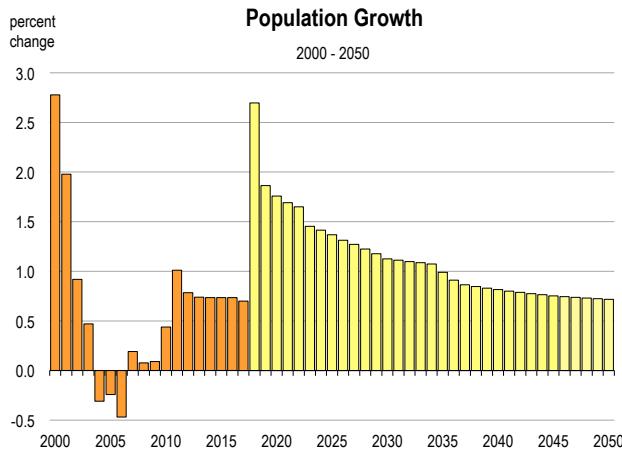
percent per year between 2018 and 2023, which will be similar to statewide growth.

- Housing production will remain high, with an average of 350 units built each year through 2023.
- Because San Benito County has large amounts of buildable land, the development process will spread out into single-family communities, rather than be forced up into multifamily skyscrapers.
- The population will expand quickly. Annual growth in the 2018-2023 period is expected to average 1.7 percent.
- Net migration will accelerate, with an average of 630 net migrants entering the county each year through 2023. The natural increase (new births) will add 420 residents to the county each year.

San Benito County Economic Forecast

2010-2017 History, 2018-2050 Forecast

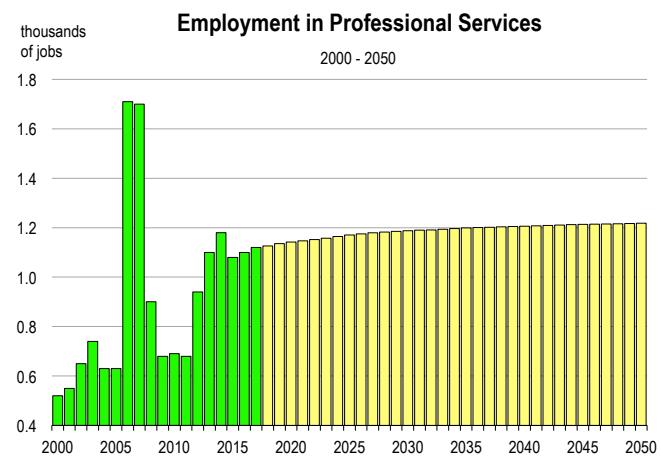
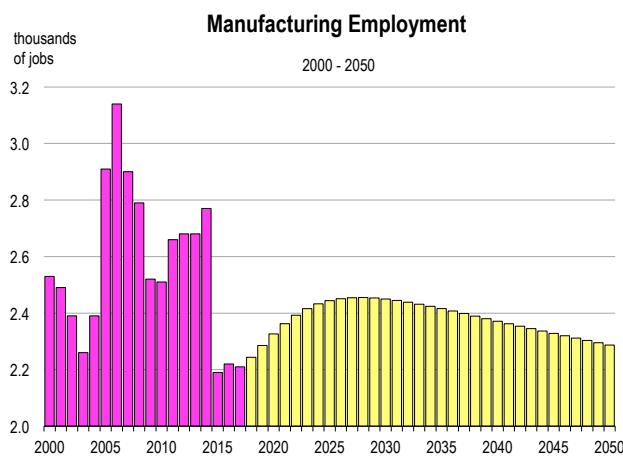
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	55,335	-197	55.6	16.8	145	\$0.45	\$1.98	\$41,365	1.3	295.9	592	15.1
2011	55,894	66	55.8	16.8	32	\$0.49	\$2.08	\$41,938	2.7	297.2	587	14.5
2012	56,333	0	56.1	17.1	36	\$0.53	\$2.16	\$42,322	2.7	328.7	633	13.1
2013	56,750	0	58.2	17.2	138	\$0.56	\$2.28	\$43,662	2.3	359.5	673	11.1
2014	57,167	0	59.8	17.2	87	\$0.56	\$2.38	\$44,390	2.8	350.7	725	9.3
2015	57,587	0	62.0	17.4	272	\$0.61	\$2.62	\$47,974	2.6	379.8	588	7.7
2016	58,010	0	64.7	17.5	529	\$0.66	\$2.76	\$48,932	3.1	378.3	595	6.8
2017	58,416	0	67.4	17.5	599	\$0.76	\$2.86	\$48,960	3.2	378.5	602	5.9
2018	59,991	1,170	69.0	17.9	409	\$0.79	\$3.05	\$49,451	3.7	383.7	639	5.4
2019	61,109	709	70.6	18.3	390	\$0.84	\$3.26	\$50,619	3.1	387.5	650	5.0
2020	62,184	662	72.1	18.7	370	\$0.89	\$3.47	\$51,208	4.1	390.3	666	5.2
2021	63,235	636	73.7	19.1	356	\$0.94	\$3.66	\$51,650	3.6	392.5	690	5.3
2022	64,279	623	75.2	19.4	302	\$0.99	\$3.85	\$52,113	3.5	394.1	711	5.5
2023	65,213	512	76.8	19.7	292	\$1.04	\$4.05	\$52,632	3.4	395.5	734	5.7
2024	66,136	500	78.3	20.0	283	\$1.09	\$4.26	\$53,202	3.3	396.6	755	5.9
2025	67,041	483	79.9	20.2	272	\$1.14	\$4.46	\$53,708	3.1	397.5	772	6.0
2026	67,921	456	81.4	20.5	264	\$1.19	\$4.65	\$54,021	3.1	398.4	789	6.0
2027	68,785	438	83.0	20.8	256	\$1.24	\$4.84	\$54,331	3.0	399.1	805	6.1
2028	69,627	419	84.5	21.0	247	\$1.29	\$5.03	\$54,474	3.3	399.8	821	6.1
2029	70,447	397	86.1	21.3	237	\$1.35	\$5.22	\$54,661	3.1	400.5	837	6.1
2030	71,240	371	87.6	21.5	236	\$1.40	\$5.41	\$54,813	3.0	401.1	852	6.1
2031	72,032	371	89.1	21.8	236	\$1.45	\$5.60	\$54,957	2.9	401.7	868	6.1
2032	72,823	369	90.7	22.0	235	\$1.50	\$5.79	\$54,947	3.1	402.3	883	6.1
2033	73,614	369	92.3	22.2	235	\$1.56	\$5.98	\$55,085	2.7	402.9	899	6.1
2034	74,405	369	93.8	22.4	214	\$1.61	\$6.19	\$55,179	2.9	403.4	914	6.1
2035	75,142	319	95.4	22.6	194	\$1.67	\$6.40	\$55,301	3.0	404.0	930	6.1
2036	75,826	269	96.9	22.8	183	\$1.73	\$6.62	\$55,293	3.4	404.6	946	6.1
2037	76,481	245	98.4	23.0	182	\$1.80	\$6.86	\$55,278	3.5	405.1	962	6.1
2038	77,129	243	99.8	23.2	182	\$1.86	\$7.10	\$55,341	3.3	405.7	978	6.1
2039	77,769	242	101.2	23.4	181	\$1.93	\$7.35	\$55,344	3.5	406.2	995	6.0
2040	78,404	240	102.6	23.6	180	\$1.99	\$7.61	\$55,369	3.4	406.7	1012	6.0
2041	79,032	239	103.9	23.8	180	\$2.06	\$7.86	\$55,455	3.2	407.3	1029	6.0
2042	79,654	237	105.1	23.9	179	\$2.13	\$8.13	\$55,573	3.1	407.8	1047	6.0
2043	80,272	236	106.4	24.1	178	\$2.20	\$8.39	\$55,726	3.0	408.3	1065	6.0
2044	80,885	234	107.6	24.3	178	\$2.27	\$8.66	\$55,939	2.8	408.8	1084	6.0
2045	81,494	233	108.8	24.5	177	\$2.34	\$8.94	\$56,092	3.0	409.3	1103	6.0
2046	82,101	231	110.0	24.7	177	\$2.41	\$9.22	\$56,255	2.9	409.8	1122	6.0
2047	82,707	230	111.2	24.8	176	\$2.49	\$9.52	\$56,434	2.9	410.3	1142	6.0
2048	83,311	228	112.3	25.0	175	\$2.57	\$9.82	\$56,629	2.9	410.8	1162	6.0
2049	83,915	227	113.5	25.2	175	\$2.65	\$10.14	\$56,852	2.9	411.3	1182	6.0
2050	84,517	225	114.6	25.4	174	\$2.74	\$10.47	\$57,096	2.9	411.8	1203	6.0

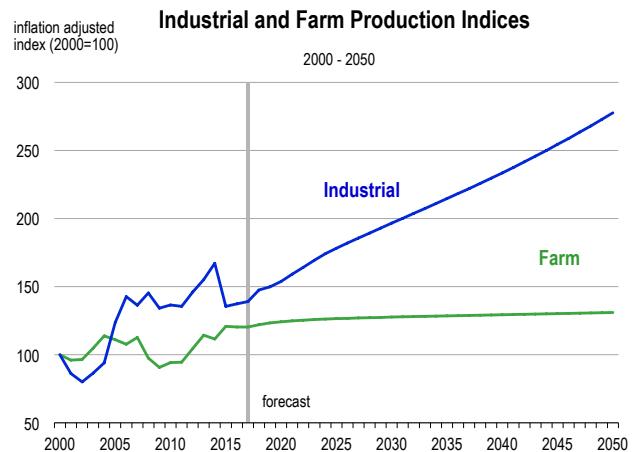
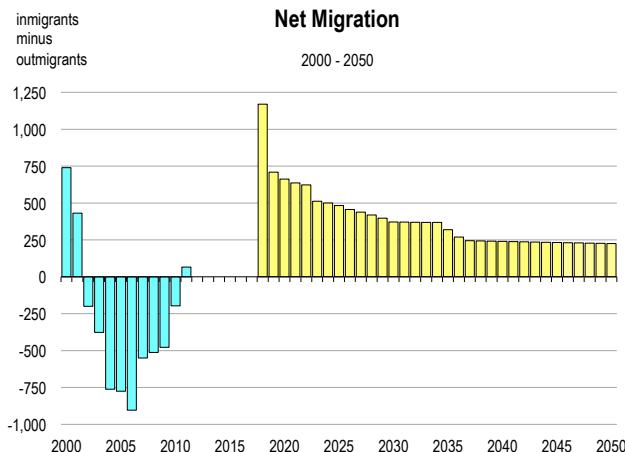
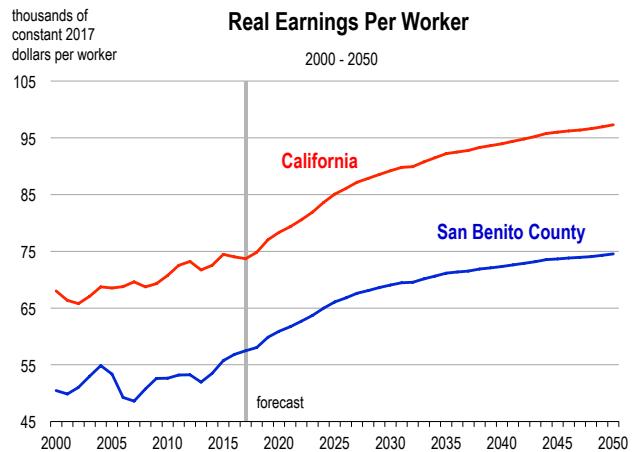
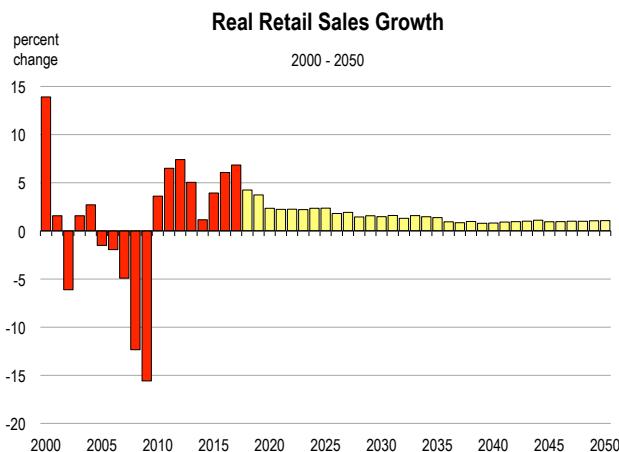


San Benito County Employment Forecast

2010-2017 History, 2018-2050 Forecast

Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government	
-----employment (thousands of jobs)-----												
2010	14.32	1.63	0.81	2.51	0.30	2.38	0.30	0.69	0.10	1.09	1.12	2.99
2011	14.25	1.59	0.73	2.66	0.28	2.47	0.30	0.68	0.10	1.06	1.08	2.85
2012	14.56	1.54	0.72	2.68	0.29	2.59	0.30	0.94	0.10	1.10	1.19	2.71
2013	15.50	1.68	0.82	2.68	0.43	2.74	0.38	1.10	0.10	1.20	1.23	2.74
2014	16.13	1.78	0.89	2.77	0.45	2.86	0.38	1.18	0.10	1.29	1.25	2.80
2015	16.07	1.84	1.07	2.19	0.49	3.03	0.38	1.08	0.10	1.37	1.27	2.85
2016	16.73	2.11	1.22	2.22	0.50	3.04	0.40	1.10	0.10	1.48	1.30	2.86
2017	16.86	2.03	1.25	2.21	0.51	3.02	0.41	1.12	0.11	1.53	1.34	2.91
2018	17.37	2.07	1.30	2.24	0.55	3.11	0.41	1.13	0.11	1.62	1.38	3.00
2019	17.81	2.12	1.39	2.29	0.57	3.19	0.41	1.14	0.11	1.66	1.40	3.07
2020	18.13	2.16	1.44	2.33	0.57	3.27	0.41	1.14	0.11	1.72	1.41	3.10
2021	18.40	2.19	1.47	2.36	0.57	3.33	0.41	1.15	0.11	1.77	1.44	3.12
2022	18.65	2.22	1.49	2.39	0.58	3.39	0.41	1.15	0.12	1.82	1.46	3.14
2023	18.87	2.24	1.50	2.42	0.58	3.44	0.41	1.16	0.12	1.87	1.49	3.17
2024	19.07	2.25	1.50	2.43	0.58	3.49	0.41	1.16	0.12	1.92	1.50	3.20
2025	19.27	2.27	1.51	2.44	0.58	3.54	0.41	1.17	0.12	1.98	1.52	3.23
2026	19.43	2.28	1.50	2.45	0.59	3.58	0.41	1.17	0.12	2.02	1.53	3.26
2027	19.57	2.29	1.49	2.45	0.59	3.62	0.41	1.18	0.12	2.07	1.55	3.29
2028	19.70	2.30	1.48	2.46	0.59	3.66	0.41	1.18	0.12	2.11	1.56	3.31
2029	19.85	2.31	1.49	2.45	0.59	3.69	0.41	1.19	0.12	2.16	1.58	3.34
2030	19.98	2.31	1.50	2.45	0.59	3.72	0.41	1.19	0.12	2.20	1.60	3.36
2031	20.09	2.32	1.50	2.44	0.60	3.75	0.41	1.19	0.12	2.24	1.61	3.38
2032	20.20	2.32	1.49	2.44	0.60	3.77	0.41	1.19	0.12	2.27	1.63	3.40
2033	20.27	2.33	1.46	2.43	0.60	3.80	0.41	1.19	0.12	2.30	1.65	3.43
2034	20.35	2.33	1.44	2.42	0.60	3.82	0.41	1.20	0.12	2.33	1.67	3.45
2035	20.43	2.33	1.42	2.42	0.61	3.85	0.41	1.20	0.12	2.36	1.69	3.47
2036	20.49	2.33	1.40	2.41	0.61	3.87	0.41	1.20	0.12	2.38	1.70	3.49
2037	20.56	2.34	1.38	2.40	0.61	3.89	0.41	1.20	0.12	2.40	1.72	3.52
2038	20.62	2.34	1.37	2.39	0.61	3.91	0.41	1.20	0.13	2.41	1.74	3.54
2039	20.68	2.34	1.35	2.38	0.61	3.93	0.41	1.20	0.13	2.43	1.76	3.56
2040	20.74	2.34	1.34	2.37	0.62	3.94	0.41	1.21	0.13	2.44	1.78	3.59
2041	20.80	2.34	1.33	2.36	0.62	3.96	0.41	1.21	0.13	2.45	1.80	3.61
2042	20.86	2.34	1.32	2.35	0.62	3.97	0.41	1.21	0.13	2.46	1.82	3.63
2043	20.92	2.34	1.32	2.35	0.62	3.99	0.41	1.21	0.13	2.47	1.83	3.66
2044	20.98	2.34	1.31	2.34	0.63	4.00	0.41	1.21	0.13	2.48	1.85	3.68
2045	21.05	2.34	1.30	2.33	0.63	4.01	0.41	1.21	0.13	2.49	1.87	3.71
2046	21.10	2.34	1.30	2.32	0.63	4.03	0.41	1.21	0.13	2.49	1.89	3.73
2047	21.17	2.34	1.29	2.31	0.63	4.04	0.41	1.21	0.13	2.50	1.91	3.75
2048	21.23	2.34	1.29	2.30	0.63	4.06	0.41	1.22	0.13	2.51	1.93	3.78
2049	21.29	2.34	1.29	2.30	0.64	4.07	0.41	1.22	0.13	2.52	1.95	3.80
2050	21.35	2.34	1.28	2.29	0.64	4.08	0.41	1.22	0.13	2.53	1.97	3.83





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	13.4%
Expected job growth:	8.6%
Fastest growing jobs sector:	Health & Education
Expected personal income growth:	15.7%

Expected population growth:	8.7%
Net migration to account for:	60.2%
Expected growth in number of vehicles:	11.3%

Demographics (2018)

Unemployment rate (April 2018):	5.1%
County rank* in California (58 counties):	35th
Working age (16-64) population:	64.4%

Population with B.A. or higher:	19.0%
Median home selling price (2017):	\$530,000
Median household Income:	\$81,665

Quality of Life

Violent crime rate (2016):	257 per 100,000 persons
County rank* in California (58 counties):	11th
Average commute time to work (2018):	35 minutes

High School drop out rate (2017):	3.8%
Households at/below poverty line (2018):	8.5%

* The county ranked 1st corresponds to the lowest rate in California